

Home Telecom and Rural Broadband Alliance Ex Parte Presentation

October 1 and 2, 2014

Keith Oliver, Vice President
Home Telecom
keith.oliver@hometelco.com

Steve Kraskin
Rural Broadband Alliance
skraskin@independent-tel.com

Home/RBA Plan

1. Responsive to Commission concerns
 - Create CAF for RoR
 - Distributes support to un-served areas
 - Ensures equitable distribution of support
 - Ensures no double dipping
 - Maintains budget
2. Glide path to model support
3. Dual track approach
4. Blended plan

Home/RBA Plan

General Principles

1. Recover legacy investment
2. Focus new funding on un-served areas
3. Voluntary election
4. Simplify administration
5. Support stand-alone broadband

Mechanics

- ▣ Three phases
 - Freeze legacy support
 - Interim investment mechanism
 - Development of rural specific model

Phase I

- ▣ Legacy HCLS and ICLS phase down
 - Ten years
 - Industry averages used
- ▣ CAF-ICC continues unchanged
- ▣ Electing RLECs support segregated

Phase II

- ▣ Forward looking budget established (head-room plus jump start)
- ▣ CAM-PC used to calculate interim support
- ▣ Only “un-served” census blocks included
- ▣ Funds allocated based on ratio of budget to model

Phase III

- ▣ CAM-RoR perfected
 - Model returns accurate cost
- ▣ Funds allocated based on ratio of budget to model
- ▣ Carriers receive greater of legacy support or allocated model support
- ▣ Allocations adjusted by eliminating carriers continuing to receive legacy support

Conclusion

- ▣ Long term – fiber to the premise needed
- ▣ Short term solution should not impede long term goal
- ▣ Stability is a prerequisite for investment